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Paper No. 8

Blank Rome LLP
600 New Hampshire Avenue, N.W.
Washington, DC 20037

In re Patent No. RE36770	:	
Issued: July 11, 2000	:	
Application No. 09/273,567	:	ON RENEWED PETITION
Filed: March 22, 1999	:	
Reissue of Patent No. 5,614,737	:	
Originally Issued: March 25, 1997	:	
Attorney Docket No. 105773.00110	:	

This is responsive to the "Response to Request for Information" filed November 30, 2009, and a decision on the petition under 37 CFR 1.378(e), filed February 9, 2009, to reinstate the above-identified patent¹.

The renewed petition is DENIED².

BACKGROUND

The record reflects that:

- on March 25, 1997, United States non-provisional patent application 09/273,567 matured into U.S. Patent No. 5,614,737. Reissue Patent No. RE36770 was issued therefrom on July 11, 2000.
- the 3.5 year maintenance fee could have been paid from March 25, 2000, through September 25, 2000, and with a surcharge, as authorized by 37 CFR 1.20(h), from September 26, 2000, through March 25, 2001.

¹ The "Notice of Intent to Supplement Response to Request for Information" filed February 19, 2010, and "Supplemental Response to Request for Information" filed June 8, 2010, were not considered because the papers were filed outside the two-month non-extendable period for reply set by the "Request for Information" mailed September 30, 2009.

² This decision may be viewed as a final agency action within the meaning of 5 U.S.C. § 704 for the purpose of seeking judicial review. See MPEP 1002.02.

- the 3.5-year maintenance fee was not timely paid and the subject patent expired at midnight on March 25, 2001.
- the 7.5-year maintenance fee was due by March 25, 2005.
- on September 25, 2008, a petition under 37 CFR 1.378(b) was filed. The petition was dismissed by a decision mailed December 8, 2008.
- on February 9, 2009, a petition under 37 CFR 1.378(e) was filed.
- on September 30, 2009, a "Request for Information" was mailed
- a "Response to Request for Information" was filed on November 30, 2009.

STATUTES AND REGULATIONS

35 U.S.C. § 41(b) states, in pertinent part, that:

MAINTENANCE FEES.-- The Director shall charge the following fees for maintaining all patent based on applications filed on or after December 12, 1980:

- (1) 3 years and 6 months after grant, \$900.
- (2) 7 years and 6 months after grant, \$2,300.
- (3) 11 years and 6 months after grant, \$3,800.

Unless payment of the applicable maintenance fee is received in the United States Patent and Trademark Office in or before the date the fee is due or within a grace period of six months thereafter, the patent will expire as of the end of such grace period.

35 U.S. C. § 41(c)(1)

The Director may accept the payment of any maintenance fee required by subsection (b) of this section which is made within twenty-four months after the six month grace period if the delay is shown to the satisfaction of the Director to have been unintentional, or at any time after the six month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable. The Director may require payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Director accepts payment of a maintenance fee after the six month grace period, the patent shall be considered as not having expired at the end of the grace period.

35 U.S.C. § 41(h)(1)

Fees charged under subsection (a) or (b) shall be reduced by 50 percent with respect to their application to any small business concern as defined under section 3 of the Small Business Act, and to any independent inventor or non-profit organization as defined in regulations issued by the Director.

37 CFR 1.378(b)

Any petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section must include:

- (1) The required maintenance fee set forth in § 1.20(e) through (g);
- (2) The surcharge set forth in § 1.20(i)(1), and
- (3) A showing that delay was unavoidable since reasonable care was taken to ensure that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent and the steps taken to file the petition promptly.

37 CFR 1.378(e)

Reconsideration of a decision refusing to accept a maintenance fee upon petition filed pursuant to paragraph (a) of this section may be obtained by filing a petition for reconsideration within two months of, or such other time as set the decision refusing to accept the delayed payment of the maintenance fee. Any such petition for reconsideration must be accompanied by the petition fee set forth in § 1.17(f). After the decision on the petition for reconsideration, no further review of the matter will be undertaken by the Director. If delayed payment of the maintenance fee is not accepted, the maintenance fee and the surcharge set forth in § 1.20(i) will be refunded following the decision on the petition for reconsideration, if none is filed. Any petition fee under this section will not be refunded unless the refusal to accept and record the maintenance fee is determined to result from error by the Patent and Trademark Office.

STANDARD

37 CFR 1.378(b)(3) is at issue in this case. Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 37 CFR 1.137(a). This is a very stringent standard. Decisions on reviving abandoned applications on the basis of "unavoidable delay have adopted the reasonably prudent

person standard in determining if the delay was unavoidable: The word ‘unavoidable’...is applicable to ordinary human affairs, and requires no more or no greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business³.

In addition decisions are made on a “case-by-case basis, taking all facts and circumstances into account.” Nonetheless, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was “unavoidable”⁴.

An adequate showing that the delay in payment of the maintenance fee was unavoidable within the meaning of 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent. Where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) precludes acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

The burden of showing the cause of the delay is in on the person seeking to reinstate the patent⁵.

The Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and the applicant is bound by the consequences of those actions or inactions⁶. Specifically, petitioner’s delay caused by the mistakes or negligence of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC 133⁷.

The actions of the attorney are imputed to the client, for when a petitioner voluntarily chooses an attorney to represent him, the petitioner cannot later avoid the repercussions of the actions or inaction of this selected representative, for clients are bound by acts of their lawyers/agents, and constructively possess “notice of all facts, notice of which can be charged upon the attorney”⁸.

Presuming for the purpose of discussion that it was an act/omission of Counsel that contributed to any of the delay herein, the act(s) omissions of the attorney/agent are imputed wholly to the applicant/client in the absence of evidence that the attorney/agent has acted to deceive the client. The actions or inactions of the attorney/agent must be imputed to the petitioners, who hired the attorney/agent to represent them. Link v. Wabash Railroad Co., 370 U.S. 626, 6330634, 82 S.

³ In re Mattullath, 38 App. D.C. 497, 514-515 (1912) (quoting Ex parte Pratt, 1887, Dec. Comm’r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 138 U.S.P.Q. 666, 167-168 (D.D.C. 1963), aff’d, 143 U.S.P.Q. 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm’r Pat. 139, 141 (1913).

⁴ Haines, 673 F. Supp. at 316-317, 5 U.S.P.Q.2d at 1121-32.

⁵ Id.

⁶ Link v. Wabash, 370 U.S. 626, 633-634 (1962).

⁷ Haines, 673 F. Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32; Smith v. Diamond, 209 USPQ 1091 (D.D.C. 1982); Potter v. Dann, 201 USPQ 574 (D.D.C. 1978); Ex parte Murray, 1891 Dec. Comm’r Pat. 103, 131 (Comm’r Pat. 1891).

⁸ Link at 633-634.

Ct. 1386, 1390-91 (1962). The failure of a party's attorney to take a required action or to notify the party of its rights does not create an extraordinary situation. Moreover, the neglect of a party's attorney is

imputed to that party and the party is bound by the consequences. See Huston v. Ladner, 973 F.2d 1564, 23 USPQ2d 1910 (Fed Cir. 1992); Herman Rosenberg and Parker Kalon Corp. v. Carr Fastener Co., 10 USPQ 106 (2d Cir. 1931).

PETITIONER'S ARGUMENT

✓ Petitioner argues that the above-cited patent should be reinstated because the delay in paying the 3.5-year and 7.5-year maintenance fees was unavoidable due to a docketing error that occurred in the offices of Blank and Rome LLP, the registered agents charged with the responsibility of tracking and paying the 3.5-year and 7.5-year maintenance fee for the subject patent. Petitioner states that the due dates for the maintenance fees were incorrectly docketed as September 25, 2004, September 25, 2008, and September 25, 2010, when, in fact, the 3.5 maintenance fee was due by September 25, 2000, the 7.5-year maintenance fee was due by March 25, 2005, and the 11.5-year maintenance fee due by March 25, 2009. Further, petitioner maintains that, once the error in docketing the maintenance fee due dates was realized and corrected, petitioner did not realize that the 3.5 year maintenance fee had not been paid and petitioner authorized payment of the 7.5-year maintenance in August 2004. Petitioner indicates that petitioner did not become aware of the expiration of the patent until 2008, when petitioner reviewed the maintenance fee history in advance of payment of the 11.5-year maintenance fee for the subject patent. Petitioner surmises that the docketing and clerical errors that were the cause of the delay in paying the 3.5-year and 7.5-year maintenance fees were the result of a data entry error committed by a docketing or maintenance fee clerk under the supervision of Supervisory Docketing Manager, Linda Bynum-Cosby. Petitioner further concludes that the delay in paying the maintenance fees also resulted from the failure of the maintenance fee clerks to notice that the 3.5-year maintenance fee had never been paid, once realizing that the due dates for the maintenance fee had been entered incorrectly. supposed

OPINION

The Director may reinstate a patent if the delay in paying the maintenance fee is shown to the satisfaction of the Director to be have been "unavoidable". In this case, the unavoidable delay in paying the maintenance fees is alleged to be the result of a clerical error that occurred in the entry of the due dates for the maintenance fees for the subject patent. In support, petitioner has offered the statement of Andrew Yost, IP Administrator for Blank and Rome LLP. Mr. Yost, whose tenure with Blank Rome LLP did not begin until 2008, surmises that the error in the data entry was committed by a docketing clerk

supervised by Ms. Linda Bynum-Cosby, Supervisory Docketing Manager for Blank Rome LLP. Mr. Yost states that Ms. Bynum-Cosby had been with the firm for one year, having five years previous docketing and supervisory experience and an additional three years of experience as an IP specialist. Further, Mr. Yost states that Ms. Bynum-Cosby supervised and trained the maintenance fee clerks who would have been responsible for entry of the data relative to the maintenance fee due dates. Mr. Yost concludes:

[i]n the present case, failure to pay the maintenance fee was the result of a clerical error which resulted from a human error. Maintenance fee due date were incorrectly docketed upon issuance of the subject patent. The grant year of the Reissue patent was entered into the docketing software as the basis for maintenance fee due dates rather than the grant date of the original patent, U.S. Patent No. 5,614,737 issued March 25, 1997. Maintenance fees were docketed for September 25, 2004, September 25, 2008, and September 25, 2010, and were reported as such to the client...Due to the limitations of the docketing and maintenance fee software, it is not presently possible to identify the specific docketing clerk who entered incorrect base date for maintenance fee due date calculation. The prosecution of the parent patent was not handled by Blank Rome and the docketing system did not include a record for the parent patent.

At the time when the error occurred, the work associated with payment of the maintenance fees was performed under the direct control and close supervision of Linda Bynum-Cosby, the firm's Docketing Manager. At the time of the initial error in 2000, Linda Bynum-Cosby. Linda Bynum-Cosby was employed at Blank Rome LLP from February 24, 1999, to August 10, 2006.

Excerpt taken from "Statement in Support of Petition for Reconsideration under 37 CFR 1.378(b), filed February 9, 2009, p. 4.

Petitioner also offers a statement from Rebecca F. South, Office Manager for the Washington, DC office of Blank Rome, LLP. Ms. South states that she oversaw the operations of the patent group of Blank Rome LLP and was the direct supervisor for Ms. Bynum-Cosby. As does Mr. Yost, Ms. South concludes that the failure to pay the 3.5-year and 7.5-year maintenance fees resulted from two errors: the first in November 2000 when incorrect maintenance fee due dates were entered in the docketing system, and the second error in June 2004 when the maintenance fee due dates was corrected in the docketing system but there was failure to realize the 3.5-year maintenance fee had not been paid. Ms. South's statement notes that, "[a]t the time of the initial error in 2000, Ms. Cosby had been with the firm for one year, and had five years previous docketing and supervisory experience and an additional three years of experience as an IP specialist. There were approximately 4-6 persons working for Ms. Cosby at the time, including Docketing Clerks, a Maintenance fee/Foreign Annuity Clerk, and a formalities officer." Petitioner states that Linda Bynum-Cosby refused to offer a written account of the failures that

contributed to the delay in paying the maintenance fees, however; petitioner states that Ms. Bynum Cosby reviewed statements regarding the same and did not dispute the accounts relayed therein.

Section 2590 of the Manual of Patent Examining Procedure ("MPEP") provides, in pertinent part, that, "[a]s the language in 35 U.S.C. § 41(c)(1) is identical to that in 35 U.S.C. § 133 (i.e., "unavoidable" delay), a late maintenance fee for the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. § 133. Further to this point, MPEP 711.03(c) provides, in pertinent part, that:

[a] showing of unavoidable delay will (in addition to the above) require: (1) evidence concerning the procedures in place that should have avoided the error resulting in the delay; (2) evidence concerning the training and experience of the persons responsible for the error; and (3) copies of any applicable docketing records to show that the error was in fact the cause of the delay. See MPEP § 711.03(c), subsection II.C.2. In addition, a petition under 37 CFR 1.137(a) must establish that the delay was unavoidable, and not just that it was unintentional.

First, neither the petition, nor the statements of Mr. Yost or Ms. South, makes clear who was responsible for non-payment of the maintenance fees. This is important because a determination of whether the delay at issue was unavoidable cannot be made if petitioner does not establish whose actions, or inactions, are at issue. The petition and the statements of Mr. Yost and Ms. South state that Ms. Linda Bynum-Cosby was the direct supervisor of docketing and maintenance fee clerks who would have been responsible for data entry of maintenance fee due dates and for correcting any errors detected in the entry of those dates. Petitioner affirmatively states that this data entry error and failure to realize the 3.5-year maintenance fee had not been paid resulted in the delay in paying the maintenance fee. Yet, petitioner does not affirmatively identify the docketing clerk and/or maintenance fee clerk that committed the errors. A conclusion cannot be reached as to whether the docketing clerk or maintenance fee clerk's error was unavoidable if the clerk is not identified. Although petitioner ^{may} *de facto* place the blame for the failure to pay the maintenance fees on Ms. Bynum-Cosby as the supervisor for the docketing and maintenance fee clerks, it is concluded that the actions of Ms. Linda Bynum-Cosby are only material insofar as her actions relate to the training and supervision of the docketing and maintenance fee clerks as the statements of Mr. Yost and Ms. South make clear that it was, in fact, a clerk under Ms. Bynum-Cosby's supervision that was responsible for the error(s) at issue, not Ms. Bynum-Cosby herself.

Further, the Office cannot determine whether, given the clerks' training and experience, it was reasonable to rely on the clerk to perform the task at hand. Further to this point, a showing of unavoidable delay requires evidence concerning the training and experience of the persons responsible for the error. As previously noted, the petition does not

specifically assign responsibility for the error to anyone. However, even were the fact the petitioner cannot identify the clerk responsible for the error to be excused, petitioner cannot specifically address the training and experience of the clerk relative to the entry of maintenance fee due dates and related tasks such that reliance on the clerk represented the exercise of diligence and due care. It is noted that the petition and statements of Ms. South and Mr. Yost speak generally of the task for which the docketing and maintenance fee clerks are responsible. Neither the petition nor the statements of Ms. South and Mr. Yost set forth the specific training that the docketing and maintenance fee clerks would have received so that they could sufficiently carry out their tasks nor is the experience of the clerks set forth. In view thereof, a conclusion cannot be drawn as to whether the reliance on the docketing and maintenance fee clerk(s) represented the exercise of due care such that the docketing error the clerk(s) allegedly committed can be considered unavoidable delay.

It is noted that Section 711.03(c) of the MPEP also explains that the legal standard employed for deciding petitions asserting unavoidable delay is the reasonably prudent person standard and states, in pertinent part, that:

[t]he word 'unavoidable' . . . is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present. *In re Mattullath*, 38 App. D.C. 497, 514-15 (1912)(quoting *Pratt*, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also *Winkler v. Ladd*, 221 F. Supp. 550, 552, 138 USPQ 666, 667-68 (D.D.C. 1963), *aff'd*, 143 USPQ 172 (D.C. Cir. 1963); *Ex parte Henrich*, 1913 Dec. Comm'r Pat. 139, 141 (1913). In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable." *Haines v. Quigg*, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

The petition for reconsideration under 37 CFR 1.378(e) has failed to establish that the maintenance of the patent was treated as petitioner's most important business and that petitioner acted reasonably and prudently relative to the same. The patent expired in March of 2001. Under the auspices of petitioner's employees, an inquiry was made 2004 with the patent holder to determine whether the patent holder wished to pay the 7.5-year maintenance fee. The patent holder remitted the monies for the 7.5-year maintenance fee to Blank Rome LLP in August 2004 to be forwarded to the USPTO. In August 2004, Blank Rome LLP sent an authorization to charge a deposit account for the 7.5-year maintenance fee⁹. Petitioner asserts that no notice was

⁹ There is no indication in USPTO records that the 7.5-year maintenance fee was ever charged to a deposit account.

ever provided by the USPTO of the rejection of the authorization to charge the 7.5-year maintenance fee. Neither was there any confirmation from the USPTO that the 7.5-year maintenance had been accepted. Implicit in this assertion is that the USPTO had some role in the delay in paying the maintenance fee. It is noted that upon issuance of the patent, patentees are informed of the due dates for payment of the maintenance fees—this is the extent of mandate of the USPTO in this regard. Thereafter, patentee, or its agent, is responsible for tracking the maintenance fee due date, timely remitting the payment, and ensuring the same is accepted by the USPTO. The USPTO was under no obligation to inform patentee that the authorization to charge the 7.5-year maintenance fee was not acted upon because the patent was expired for non-payment of the 3.5 year maintenance fee. Likewise, the USPTO is under no obligation to inform petitioner that the maintenance fee was accepted. It is reasonable to expect that somewhere in the period from March 2001—when the patent expired--until March 2004--when the period opened for payment of the 7.5 year maintenance fee--that petitioner may have checked the status of the patent thereby discovering that patent was expired. Such a status check might have included a telephone inquiry to the USPTO, a check of the USPTO website, or even a check of petitioner's deposit account records to ascertain whether the 7.5-year maintenance fee had been charged. Petitioner ^{suggests that} such routine checks are not performed by petitioner and intimates that such checks present and undue burden on petitioner. Notwithstanding, it is noted that petitioner concedes that such a routine check prior to the attempt to pay 11.5-year maintenance fee resulted in petitioner finally realizing in 2008 that the patent was expired since 2001. Arguably, the exercise of prudence would dictate that petitioner check the status of the patent prior to attempting payment of the maintenance fee. Petitioner's failure to check the status of the subject patent in eleven years since it issued is arguably imprudent and belies the assertion that petitioner treated the maintenance of the patent as petitioner's most important business.

It is further noted that the subject patent was expired for seven years before the expiration was discovered. Arguably, in treating the patent as its most important business, the exercise of diligence and prudence relative to the maintenance of the subject patent would dictate that petitioner initiate periodic checks as to the status of the patents maintained. If such a business routine were in place, the patent would likely not have remained expired for seven years and two maintenance fee payments missed. The petition is silent as to any business routine in place that would safeguard against a patent being expired for extended periods of time and, in fact, petitioner indicates that no such routine procedure exists. The apparent lack of such a safeguard further indicates that petitioner did not exercise the reasonable prudence and diligence in the maintenance of the patent which is the hallmark of establishing unavoidable delay as it is defined by 37 CFR 1.378(b).

CONCLUSION

For the reasons stated above, the petition under 37 CFR 1.378(e) is **DENIED**. Therefore, the patent will not be reinstated and remains expired.

As stated in 37 CFR 1.378(e), no further reconsideration or review of this matter will be undertaken.

The amount of \$1,165.00 that was paid for the maintenance fees and surcharge will be refunded, in due course.

This application file is being forwarded to Files Repository.

Telephone inquiries concerning this matter may be directed to Kenya A. McLaughlin, Petitions Attorney, at (571) 272-3222.

Anthony Knight
Director
Office of Petitions